

**2009 DRAFTING REQUEST**

**Senate Amendment (SA-SSA1-AB75)**

Received: **06/15/2009**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Joseph Leibham (608) 266-2056**

By/Representing: **greg**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters: **tkuczens**

Subject: **Tax, Business - credits**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Leibham@legis.wisconsin.gov**

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**  
**tracy.kuczenski@legis.wisconsin.gov**

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Jobs creation credit

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 06/16/2009	kfollett 06/16/2009		_____			
	tkuczens 06/16/2009	wjackson 06/16/2009		_____			
	jkreye 06/16/2009			_____			
/1	tkuczens 06/17/2009	wjackson 06/17/2009	jfrantze 06/16/2009	_____	lparisi 06/16/2009	lparisi 06/16/2009	

Vers.      Drafted      Reviewed      Typed      Proofed      Submitted      Jacketed      Required

/2

rschluet \_\_\_\_\_  
06/17/2009 \_\_\_\_\_

sbasford  
06/17/2009

sbasford  
06/17/2009

FE Sent For:

**<END>**

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/?	jkreye 06/16/2009	kfollett 06/16/2009		_____			
	tkuczens 06/16/2009	wjackson 06/16/2009		_____			
	jkreye 06/16/2009	1/2 WLj 6/17		_____			
/1			jfrantze 06/16/2009	_____ NO	lparisi 06/16/2009	lparisi 06/16/2009	

Vers.      Drafted      Reviewed      Typed      Proofed      Submitted      Jacketed      Required

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/?	jkreye	1 wlj 6/16	9/6 6/16	<del>NWJP</del> <del>BJP</del> 6/16			

FE Sent For:

<END>

**Kreye, Joseph**

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**From:** Kuczenski, Tracy  
**Sent:** Monday, June 15, 2009 11:43 AM  
**To:** Kreye, Joseph  
**Subject:** THE KENTUCKY IDEA

Greg in Sen Liebham's office wants this as a budget amendment. I told him that you may or may not have time to do so; I also told him that you would give him a call. His number is:  
(920) 728-0500

*Tracy K. Kuczenski  
Legislative Attorney  
Wisconsin Legislative Reference Bureau  
(608) 266-9867  
[Tracy.Kuczenski@legis.wisconsin.gov](mailto:Tracy.Kuczenski@legis.wisconsin.gov)*

06/16/2009



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRBb1398?  
JK&TKK:V:...

WLY  
+KJF RM not R

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

**SENATE AMENDMENT ,**

**TO SENATE SUBSTITUTE AMENDMENT 1,**

**TO 2009 ASSEMBLY BILL 75**

*DN* *in 6-16-09*

1 At the locations indicated, amend the substitute amendment as follows:

2 ↓ 1. Page 240, line 3: after that line insert:

3 "(a) Jobs creation credit GPR S -0- -0-".

4 ↓ 2. Page 366, line 25: after that line insert: *insert 366-25*

5 ↓ 3. Page 772, line 23: after "(3w)," insert "(3x)."

6 ↓ 4. Page 783, line <sup>5</sup>~~4~~: after that line insert: *insert 783-2*

7 ↓ 5. Page 796, line 1: after "(3w)," insert "(3x)."

8 ↓ 6. Page 797, line 1: after "(3r)," insert "jobs creation tax credit under s. 71.07  
9 (3x)."

10 ↓ 7. Page 840, line <sup>15</sup>~~14~~: after "(3w)," insert "(3x)."

- 1        ✓ **8.** Page 888, line 2: after that line insert: *insert 888-2*
- 2        ✓ **9.** Page 900, line 11: after "<sup>3w</sup>~~(3w)~~", insert "jobs creation tax credit under s. 71.07" <sup>28</sup>
- 3        (3x).
- 4        ✓ **10.** Page 919, line 22: after "(3w)," insert "(3x)".
- 5        ✓ **11.** Page 939, line 2: after "(3w)," insert "(3x)".
- 6        ✓ **12.** Page 941, line 21: after that line insert: *insert 941-21*
- 7        ✓ **13.** Page 954, line 3: after "<sup>3w</sup>(3w)," insert "jobs creation tax credit under s. 71.07" <sup>47</sup>
- 8        (3x).
- 9        ✓ **14.** Page 1034, line 12: after "<sup>3w</sup>(3w)," insert "(3x)".
- 10        ✓ **15.** Page 1578, line 10: after that line insert: *insert 1578-10*
- 11        ✓ **16.** Page 1788, line 11: after that line insert: *insert 1788-11*
- 12        (END)



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-28-257  
TKK&JK

1398/1  
MWR

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

in 6-10-09

D-N

Gen

SOON

1 AN ACT ...; relating to: tax incentives for job creation.

**Analysis by the Legislative Reference Bureau**

This is a preliminary draft. An analysis will be provided in a later version. For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

**The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:**

INSERT 366-25

- 2 SECTION 1. 20.835 (2) of the statutes is created to read:
- 3 20.835 (2) Jobs creation credit. A sum sufficient to make the payments
- 4 under ss. 71.07 (3x) (d) 2., 71.28 (3x) (d) 2., and 71.47 (3x) (d) 2.
- 5 SECTION 2. 71.05 (6) (a) 15. of the statutes, as affected by 2009 Wisconsin Act
- 6 2, is amended to read:
- 7 71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dd), (2de),
- 8 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3r), (3s), (3t),
- 9 (3w), (3x), (5e), (5f), (5h), (5i), (5j), and (5k) and not passed through by a partnership,

1 limited liability company, or tax-option corporation that has added that amount to  
2 the partnership's, company's, or tax-option corporation's income under s. 71.21 (4)  
3 or 71.34 (1k) (g).

INVENT  
73-2

History: 1987 a. 312; 1987 a. 411 ss. 42, 43, 45, 47 to 49, 51 to 53; 1989 a. 31, 46; 1991 a. 2, 37, 39, 269; 1993 a. 16, 112, 204, 263, 437; 1995 a. 27, 56, 209, 227, 261, 371, 403, 453; 1997 a. 27, 35, 39, 237; 1999 a. 9, 32, 44, 54, 65, 167; 2001 a. 16, 104, 105, 109; 2003 a. 85, 99, 119, 135, 183, 255, 289, 321, 326; 2005 a. 22, 25, 216, 254, 335, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2.

4 SECTION 71.07 (3x) of the statutes is created to read:

66  
1229A  
1571d

5 71.07 (3x) JOBS CREATION TAX CREDIT. (a) *Definitions.* In this subsection,  
6 "claimant" means a person who is certified to claim tax benefits under s. 560.2057  
7 (2).

8 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
9 560.2057, for taxable years beginning after December 31, 2009, a claimant may claim  
10 as a credit against the taxes imposed under ss. 71.02 and 71.08 the amount  
11 determined under s. 560.2057 (4).

12 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
13 corporations may not claim the credit under this subsection, but the eligibility for,  
14 and the amount of, the credit are based on their payment of the amounts determined  
15 under s. 560.2057 (4). A partnership, limited liability company, or tax-option  
16 corporation shall compute the amount of credit that each of its partners, members,  
17 or shareholders may claim and shall provide that information to each of them.  
18 Partners, members of limited liability companies, and shareholders of tax-option  
19 corporations may claim the credit in proportion to their ownership interests.

20 2. No credit may be allowed under this subsection unless the claimant includes  
21 with the claimant's return a copy of the claimant's certification for tax benefits under  
22 s. 560.2057 (2).

23 (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the  
24 credit under s. 71.28 (4), applies to the credit under this ~~section~~ subsection

*end of 783-2*

1           2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
 2 due under s. 71.02 or 71.08, the amount of the claim not used to offset the tax due  
 3 shall be certified by the department of revenue to the department of administration  
 4 for payment by check, share draft, or other draft drawn from the appropriation  
 5 account under s. 20.835 (2) (a). *✓*

6           **SECTION 4.** 71.08 (1) (intro.) of the statutes, as affected by 2009 Wisconsin Act  
 7 2, is amended to read:

8           **71.08 (1) IMPOSITION.** (intro.) If the tax imposed on a natural person, married  
 9 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under  
 10 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (2fd), (3m), (3n),  
 11 (3p), (3r), (3s), (3t), (3w), (3x), (5b), (5d), (5e), (5f), (6), (6e), and (9e), 71.28 (1dd), (1de),  
 12 (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (1fd), (2m), (3), (3n), (3t), and (3w), and 71.47  
 13 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (1fd), (2m), (3), (3n), (3t), and (3w),  
 14 and subchs. VIII and IX and payments to other states under s. 71.07 (7), is less than  
 15 the tax under this section, there is imposed on that natural person, married couple  
 16 filing jointly, trust or estate, instead of the tax under s. 71.02, an alternative  
 17 minimum tax computed as follows:

History: 1987 a. 312, 411; 1989 a. 31; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27, 237; 1999 a. 9; 2001 a. 109; 2003 a. 99, 135, 255, 326; 2005 a. 25, 177, 361, 479, 483; 2007 a. 20, 97; 2009 a. 2.

18           **SECTION 5.** 71.10 (4) (i) of the statutes, as affected by 2009 Wisconsin Act 2, is  
 19 amended to read:

20           **71.10 (4) (i)** The total of claim of right credit under s. 71.07 (1), farmland  
 21 preservation credit under subch. IX, homestead credit under subch. VIII, farmland  
 22 tax relief credit under s. 71.07 (3m), farmers' drought property tax credit under s.  
 23 71.07 (2fd), dairy manufacturing facility investment credit under s. 71.07 (3p), meat  
 24 processing facility investment credit under s. 71.07 (3r), jobs creation tax credit

1 ~~under s. 71.07 (3x), film production services credit under s. 71.07 (5f) (b) 2., veterans~~  
 2 ~~and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs~~  
 3 ~~credit under s. 71.07 (3w), earned income tax credit under s. 71.07 (9e), estimated tax~~  
 4 ~~payments under s. 71.09, and taxes withheld under subch. X.~~

*was affected by 2009 Wisconsin Act 2,*

History: 1987 a. 312; 1987 a. 411 ss. 94, 97, 176 to 179; 1987 a. 422 s. 4; 1989 a. 31, 56, 359; 1991 a. 39; 1993 a. 16, 184; 1995 a. 27, 209, 418, 453; 1997 a. 27, 63, 237, 248; 1999 a. 9, 167; 2001 a. 16, 109; 2003 a. 33, 99, 135, 176, 255, 321; 2005 a. 25, 49, 71, 74, 177, 178, 323, 361, 460, 479, 483; 2007 a. 1, 20, 96, 97; 2009 a. 2.

5

**SECTION 6.** 71.26 (2) (a) 4. of the statutes is amended to read:

6 71.26 (2) (a) 4. Plus the amount of the credit computed under s. 71.28 (1dd),  
 7 (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy), (3g), (3h), (3n), (3p), (3r), (3t), (3w),  
 8 ~~(3x)~~, (5e), (5f), (5g), (5h), (5i), (5j), and (5k) and not passed through by a partnership,  
 9 limited liability company, or tax-option corporation that has added that amount to  
 10 the partnership's, limited liability company's, or tax-option corporation's income  
 11 under s. 71.21 (4) or 71.34 (1k) (g).

*INSERT 888-2*

History: 1987 a. 312; 1987 a. 411 ss. 22, 124 to 129; 1989 a. 31, 336; 1991 a. 37, 39, 221, 269; 1993 a. 16, 112, 246, 263, 399, 437, 491; 1995 a. 27, 56, 351, 371, 380, 428; 1997 a. 27, 37, 184, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 106, 109; 2003 a. 33, 85, 99, 135, 255, 326; 2005 a. 25, 74, 335, 361, 362, 479, 483; 2007 a. 20, 96, 97, 151, 226; 2009 a. 2.

12 **SECTION 7.** 71.28 (3x) of the statutes is created to read:

13 **71.28 (3x) JOBS CREATION TAX CREDIT.** (a) *Definitions.* In this subsection,  
 14 "claimant" means a person who is certified to claim tax benefits under s. 560.2057  
 15 (2).<sup>↓</sup>

16 (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
 17 560.2057, for taxable years beginning after December 31, 2009, a claimant may claim  
 18 as a credit against the tax imposed under s. 71.23 the amount determined under s.  
 19 560.2057 (4).<sup>↓</sup>

20 (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
 21 corporations may not claim the credit under this subsection, but the eligibility for,  
 22 and the amount of, the credit are based on their payment of the amounts determined  
 23 under s. 560.2057 (4). A partnership, limited liability company, or tax-option

*1654*

1 corporation shall compute the amount of credit that each of its partners, members,  
2 or shareholders may claim and shall provide that information to each of them.  
3 Partners, members of limited liability companies, and shareholders of tax-option  
4 corporations may claim the credit in proportion to their ownership interests.

5 2. No credit may be allowed under this subsection unless the claimant includes  
6 with the claimant's return a copy of the claimant's certification for tax benefits under  
7 s. 560.2057 (2).

8 (d) *Administration*. 1. Subsection (4) (e), (g), and (h), as it applies to the credit  
9 under sub. (4), applies to the credit under this <sup>subsection</sup> ~~section~~.

10 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
11 due under s. 71.23, the amount of the claim not used to offset the tax due shall be  
12 certified by the department of revenue to the department of administration for  
13 payment by check, share draft, or other draft drawn from the appropriation account  
14 under s. 20.835 (2) <sup>a</sup> ~~b~~.

end  
of  
888-2

15 **SECTION 8.** 71.30 (3) (f) of the statutes, as affected by 2009 Wisconsin Act 2, is  
16 amended to read:

17 71.30 (3) (f) The total of farmers' drought property tax credit under s. 71.28  
18 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under  
19 s. 71.28 (2m), dairy manufacturing facility investment credit under s. 71.28 (3p),  
20 meat processing facility investment credit under s. 71.28 (3r), enterprise zone jobs  
21 credit under s. 71.28 (3w), jobs creation tax credit under s. 71.28 (3x), film production  
22 services credit under s. 71.28 (5f) (b) 2., and estimated tax payments under s. 71.29.

History: 1987 a. 312; 1987 a. 411 ss. 144, 145; 182 to 185; 1989 a. 31, 56; 1991 a. 39; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 33, 99, 135, 255; 2005 a. 25, 74, 361, 479, 483; 2007 a. 20, 226; 2009 a. 2.

23 **SECTION 9.** 71.34 (1k) (g) of the statutes, as affected by 2009 Wisconsin Act 2,  
24 is amended to read:

1           71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
2 corporation under s. 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), (1dy),  
3 (3), (3g), (3h), (3n), (3p), (3r), (3t), (3w), (3x), (5e), (5f), (5g), (5h), (5i), (5j), and (5k) and  
4 passed through to shareholders.

History: 1987 a. 312; 1987 a. 411 ss. 18, 23, 146; 1989 a. 31, 336; 1991 a. 39, 269; 1993 a. 16, 437; 1995 a. 27, 380, 428; 1997 a. 27, 37, 237; 1999 a. 9, 194; 2001 a. 16, 109; 2003 a. 33, 99, 135, 255, 326; 2005 a. 25, 49, 74, 361, 479, 483; 2007 a. 20, 96, 226; 2009 a. 2.

5           **SECTION 10.** 71.45 (2) (a) 10. of the statutes, as affected by 2009 Wisconsin Act  
6 2, is amended to read:

7           71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
8 computed under s. 71.47 (1dd) to (1dy), (3h), (3n), (3p), (3r), (3w), (3x), (5e), (5f), (5g),  
9 (5h), (5i), (5j), and (5k) and not passed through by a partnership, limited liability  
10 company, or tax-option corporation that has added that amount to the partnership's,  
11 limited liability company's, or tax-option corporation's income under s. 71.21 (4) or  
12 71.34 (1k) (g) and the amount of credit computed under s. 71.47 (1), (3), (3t), (4), and  
13 (5).

History: 1987 a. 312; 1989 a. 31, 336, 359; 1991 a. 37, 39, 269; 1993 a. 16, 112, 263, 437; 1995 a. 27, 56, 371, 380; 1997 a. 27, 37, 237; 1999 a. 9, 65; 1999 a. 150 s. 672; 1999 a. 167, 194; 2001 a. 16, 38, 109; 2003 a. 37, 85, 99, 135, 255, 326; 2005 a. 74, 297, 335, 361, 479, 483; 2007 a. 20, 96, 326; 2009 a. 2.

14           **SECTION 11.** 71.47 (3x) of the statutes is created to read:

15           1720 **71.47 (3x) JOBS CREATION TAX CREDIT.** (a) *Definitions.* In this subsection,  
16 "claimant" means a person who is certified to claim tax benefits under s. 560.2057  
17 (2).

18           (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
19 560.2057, for taxable years beginning after December 31, 2009, a claimant may claim  
20 as a credit against the tax imposed under s. 71.43 the amount determined under s.  
21 560.2057 (4).

22           (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
23 corporations may not claim the credit under this subsection, but the eligibility for,

INSERT  
941-21

1 and the amount of, the credit are based on their payment of the amounts determined  
 2 under s. 560.2057 (4). A partnership, limited liability company, or tax-option  
 3 corporation shall compute the amount of credit that each of its partners, members,  
 4 or shareholders may claim and shall provide that information to each of them.  
 5 Partners, members of limited liability companies, and shareholders of tax-option  
 6 corporations may claim the credit in proportion to their ownership interests.

7 2. No credit may be allowed under this subsection unless the claimant includes  
 8 with the claimant's return a copy of the claimant's certification for tax benefits under  
 9 s. 560.2057 (2).

10 (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the  
 11 credit under s. 71.28 (4), applies to the credit under this <sup>Subsection</sup> ~~section~~.

12 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
 13 due under s. 71.43, the amount of the claim not used to offset the tax due shall be  
 14 certified by the department of revenue to the department of administration for  
 15 payment by check, share draft, or other draft drawn from the appropriation account  
 16 under s. 20.835 (2) (a). <sup>5</sup>

*encl  
5  
941-21*

17 **SECTION 12.** 71.49 (1) (f) of the statutes, as affected by 2009 Wisconsin Act 2,  
 18 is amended to read:

19 71.49 (1) (f) The total of farmers' drought property tax credit under s. 71.47  
 20 (1fd), farmland preservation credit under subch. IX, farmland tax relief credit under  
 21 s. 71.47 (2m), dairy manufacturing facility investment credit under s. 71.47 (3p),  
 22 meat processing facility investment credit under s. 71.47 (3r), enterprise zone jobs  
 23 credit under s. 71.47 (3w), jobs creation tax credit under s. 71.47 (3x), film production  
 24 services credit under s. 71.47 (5f) (b) 2., and estimated tax payments under s. 71.48.

1           **SECTION 13.** 77.92 (4) of the statutes, as affected by 2009 Wisconsin Act 2, is  
2 amended to read:

3           77.92 (4) "Net business income," with respect to a partnership, means taxable  
4 income as calculated under section 703 of the Internal Revenue Code; plus the items  
5 of income and gain under section 702 of the Internal Revenue Code, including taxable  
6 state and municipal bond interest and excluding nontaxable interest income or  
7 dividend income from federal government obligations; minus the items of loss and  
8 deduction under section 702 of the Internal Revenue Code, except items that are not  
9 deductible under s. 71.21; plus guaranteed payments to partners under section 707  
10 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),  
11 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3r), (3s), (3t),  
12 (3w), (3x), (5e), (5f), (5g), (5h), (5i), (5j), and (5k); and plus or minus, as appropriate,  
13 transitional adjustments, depreciation differences, and basis differences under s.  
14 71.05 (13), (15), (16), (17), and (19); but excluding income, gain, loss, and deductions  
15 from farming. "Net business income," with respect to a natural person, estate, or  
16 trust, means profit from a trade or business for federal income tax purposes and  
17 includes net income derived as an employee as defined in section 3121 (d) (3) of the  
18 Internal Revenue Code.

History: 1989 a. 335; 1991 a. 39, 269; 1993 a. 16, 112, 490; 1995 a. 27, 209; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 99, 135, 255, 326; 2005 a. 74, 361, 479, 483; 2007 a. 20, 96; 2009 a. 2.

(END)

1 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),  
 2 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3h), (3s), (3n), (3p), (3q), (3t), (3w),  
 3 (5e), (5f), (5g), (5h), (5i), (5j), and (5k); and plus or minus, as appropriate, transitional  
 4 adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15),  
 5 (16), (17), and (19); but excluding income, gain, loss, and deductions from farming.  
 6 "Net business income," with respect to a natural person, estate, or trust, means profit  
 7 from a trade or business for federal income tax purposes and includes net income  
 8 derived as an employee as defined in section 3121 (d) (3) of the Internal Revenue  
 9 Code.

Begin INSERT AFTER  
P. 1578, line 10:

3070d 5600-2057

10 SECTION 14 560.2055 of the statutes is created to read:

11 560.2055 Jobs tax credit. (1) DEFINITIONS. In this section:

12 (a) 1. Except as provided in subd. 2., "business" means any organization or  
 13 enterprise operated for profit, including a proprietorship, partnership, firm,  
 14 business trust, joint venture, syndicate, corporation, limited liability company, or  
 15 association.

16 2. "Business" does not include a store or shop in which retail sales is the  
 17 principal business.

18 (b) "Eligible employee" means a person employed in a full-time job by a person  
 19 certified under sub. (2).

20 (c) "Full-time job" means a regular, nonseasonal full-time position in which an  
 21 individual, as a condition of employment, is required to work at least 2,080 hours per  
 22 year, including paid leave and holidays, and for which the individual receives pay  
 23 that is equal to at least 150 percent of the federal minimum wage and benefits that  
 24 are not required by federal or state law. "Full-time job" does not include initial  
 25 training before an employment position begins.

SECTION 14

1 (d) "Tax benefits" means the jobs <sup>(b)</sup> tax credit under ss. 71.07 (3q), 71.28 (3q) and  
 2 71.47 (3q). <sup>creation</sup> <sup>(3x)</sup>

3 (2) CERTIFICATION. The department may certify a person to receive tax benefits  
 4 under this section if all of the following apply:

- 5 (a) The person is operating or intends to operate a business in this state.
- 6 (b) The person applies under this section and enters into a contract with the  
 7 department.

8 (3) ELIGIBILITY FOR TAX BENEFITS. A person certified under sub. (2) may receive  
 9 tax benefits under this section if, in each year for which the person claims tax benefits  
 10 under this section, the person increases net employment in the person's business <sup>and</sup> <sup>by 15</sup> <sup>employees</sup>

11 one of the following apply:

- 12 (a) In a tier I county or municipality, an eligible employee for whom the person  
 13 claims a tax credit will earn at least \$20,000 but not more than \$100,000 in wages  
 14 from the person in the year for which the credit is claimed.
- 15 (b) In a tier II county or municipality, an eligible employee for whom the person  
 16 claims a tax credit will earn at least \$30,000 but not more than \$100,000 in wages  
 17 from the person in the year for which the credit is claimed.
- 18 (c) In a tier I county or municipality or a tier II county or municipality, the  
 19 person improves the job-related skills of any eligible employee, trains any eligible  
 20 employee on the use of job-related new technologies, or provides job-related training  
 21 to any eligible employee whose employment with the person represents the  
 22 employee's first full-time job.

23 (4) DURATION LIMITS AND EXPIRATION (a) The certification of a person under  
 24 sub. (2) may remain in effect for no more than 10 cumulative years.

1 (b) 1 The department may award to a person certified under sub. (2) tax  
 2 benefits for each eligible employee in an amount equal to up to 10 percent of the  
 3 wages paid by the person to that employee that employee earned wages in the year  
 4 for which the tax benefit is claimed equal to one of the following: and from the person

5 a. In a tier I county or municipality, at least \$20,000 but not more than  
 6 \$100,000.  
 7 b. In a tier II county or municipality, at least \$30,000 but not more than  
 8 \$100,000.  
 9 2. The department may award to a person certified under sub. (2) tax benefits  
 10 in an amount to be determined by the department by rule for costs incurred by the  
 11 person to undertake the training activities described in sub. (3) (c).  
 12 (c) The department may allocate up to \$10,000,000 in tax benefits under this  
 13 section in any calendar year.

14 (5) DUTIES OF THE DEPARTMENT. (a) The department of commerce shall notify  
 15 the department of revenue when the department of commerce certifies a person to  
 16 receive tax benefits.

17 (b) The department of commerce shall notify the department of revenue within  
 18 30 days of revoking a certification made under sub. (2).

19 (c) The department may require a person to repay any tax benefits the person  
 20 claims for a year in which the person failed to maintain employment required by  
 21 a contract under sub. (2) (b).

22 (d) The department shall determine the maximum amount of the tax credits  
 23 under ss. 71.07 (3q), 71.28 (3q) and 71.47 (3q) that a certified business may claim  
 24 and shall notify the department of revenue of this amount.

(3x)

1 (e) The department shall annually verify the information submitted to the  
2 department by the person claiming tax benefits under ss. 71.07 (3q), 71.28 (3q), and  
3 71.47 (3q) (3x)

4 (f) The department shall promulgate rules for the implementation and  
5 operation of this section, including rules relating to the following:

6 1. The definitions of a tier I county or municipality and a tier II county or  
7 municipality. The department may consider all of the following information when  
8 establishing the definitions required under this subdivision:

- 9 a. Unemployment rate.
- 10 b. Percentage of families with incomes below the poverty line established under
- 11 42 USC 9902 (2).
- 12 c. Median family income.
- 13 d. Median per capita income.
- 14 e. Other significant or irregular indicators of economic distress, such as a
- 15 natural disaster or mass layoff.

16 2. A schedule of additional tax benefits for which a person who is certified under  
17 sub. (2) and who incurs costs related to job training under sub. (3) (c) may be eligible.

18 3. Conditions for the revocation of a certification under par. (b).

19 4. Conditions for the repayment of tax benefits under par. (c). ✓

~~SECTION 9110: Nonstatutory provisions; Commerce.~~

(CS) CREATION

20  
21 (1) JOBS TAX BENEFIT; EMERGENCY RULES. The department of commerce may use  
22 the procedure under section 227.24 of the statutes to promulgate rules under section  
23 560.2055 (5) (f) of the statutes, as created by this act. Notwithstanding section  
24 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this  
25 subsection remain in effect until July 1, 2010, or the date on which permanent rules

END INVERT AFTER  
P. 1578, line 10.

BEGIN  
INVERT AFTER  
P. 1388, line 11

1 take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a) and (3) of the  
 2 statutes, the department is not required to provide evidence that promulgating a rule  
 3 under this subsection as an emergency rule is necessary for the preservation of the  
 4 public peace, health, safety, or welfare and is not required to provide a finding of  
 5 emergency for a rule promulgated under this subsection.

6 <sup>FJ</sup> <sup>(JK)</sup> <sup>CREATION</sup> (2) JOBS/TAX BENEFIT; ECONOMIC IMPACT REPORT. Notwithstanding sections  
 7 227.137 (2) and 227.138 (2) of the statutes, if the secretary of administration requires  
 8 the department of commerce to prepare an economic impact report for the rules  
 9 required under section <sup>560.2057</sup> 560.2055 (5) (f) of the statutes, as created by this act, the  
 10 department may submit the proposed rules to the legislature for review under  
 11 section 227.19 (2) of the statutes before the department completes the economic  
 12 impact report and before the department receives a copy of the report and approval  
 13 under section 227.138 (2) of the statutes. <sup>✓</sup> <sup>✓</sup>

End INQUIRY  
AFTER p. 1988 line 11

14 SECTION ~~9113~~ 9113. Effective dates; Revenue.

15 (1) <sup>CREATION</sup> JOBS/TAX CREDIT. The treatment of section 20.835 (2) (bb) of the statutes takes  
 16 effect on January 1, 2012.

17

*[Handwritten signature]*

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

61398/1  
LRB-2822/09 on  
TKR@3/12.....

Wlj  
RMNR

Date

Senator Leibham:

This preliminary draft creates a jobs creation tax credit program under ch. 560, to be administered by the Department of Commerce. The initial drafting request was based on a ~~summary~~ of Kentucky Rural Economic Development program, a summary of which was forwarded to me in late April.

However, in an e-mail from Greg Gasper of your office dated May 13, 2009, Mr. Gasper indicates that, instead of basing the Wisconsin program on the Kentucky program, the program in Wisconsin would, "simply put, ... allow a company that creates 15 jobs through an expansion or relocation in Wisconsin to offset from their corporate income tax liability the new individual income tax revenues gained through the creation of those jobs."

I have a number of questions regarding this proposed program:

1. Do you wish to require the jobs to pay any minimum wage?
- \* 2. Must the jobs be full time, or are part time jobs okay?
3. May jobs added in a retail or other chain store (such as Wal-Mart or McDonald's) qualify?
4. Do you wish to establish a limit on the number of years in which an employer may claim a tax benefit under the program?
5. Do you wish to establish a dollar limit on the amount of benefits any one employer may claim in any one year?
6. Do you wish to establish a dollar limit on the amount of benefits any one employer may claim over the duration of the employer's participation in the program?
7. Do you wish to establish a dollar limit on the total tax benefits the Department may award under the program in any year, or over the duration of the program?

In a follow-up e-mail dated May 27, 2009, Greg Gasper noted several concerns raised about the proposed program, and requested that "...it will be important to include exactly what the money received by the business may be used for. If I'm not mistaken, Kentucky's KREDA program allows expenditures on capital investment for land, buildings, fixtures and equipment."

9 ↑

On my review of the summary of the Kentucky legislation, there is no restriction on how an employer may use its tax benefits. Neither does the Kentucky legislation require an employer to use the tax credits on capital expenditures. The opposite is true -- an employer who makes certain capital expenditures may claim additional tax credits.

That said, do you wish to impose any restrictions on how a participating employer uses the tax benefits it receives under the program?

Please contact me with any questions or if you want to make any changes. I look forward to working with you on the next draft.

Tracy K. Kuczenski  
Legislative Attorney  
Phone: (608) 266-9867  
E-mail: [tracy.kuczenski@legis.wisconsin.gov](mailto:tracy.kuczenski@legis.wisconsin.gov)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBb1398/1dn  
TKK.wlj:jf

June 16, 2009

Senator Leibham:

This preliminary draft creates a jobs creation tax credit program under ch. 560, to be administered by the Department of Commerce. The initial drafting request was based on a Kentucky Rural Economic Development program, a summary of which was forwarded to me in late April.

However, in an e-mail from Greg Gasper of your office dated May 13, 2009, Mr. Gasper indicates that, instead of basing the Wisconsin program on the Kentucky program, the program in Wisconsin would, "simply put, ... allow a company that creates 15 jobs through an expansion or relocation in Wisconsin to offset from their corporate income tax liability the new individual income tax revenues gained through the creation of those jobs."

I have a number of questions regarding this proposed program:

1. Do you wish to require the jobs to pay any minimum wage?
2. Must the jobs be full time, or are part-time jobs okay?
3. May jobs added in a retail or other chain store (such as Wal-Mart or McDonald's) qualify?
4. Do you wish to establish a limit on the number of years in which an employer may claim a tax benefit under the program?
5. Do you wish to establish a dollar limit on the amount of benefits any one employer may claim in any one year?
6. Do you wish to establish a dollar limit on the amount of benefits any one employer may claim over the duration of the employer's participation in the program?
7. Do you wish to establish a dollar limit on the total tax benefits the department may award under the program in any year, or over the duration of the program?

In a follow-up e-mail dated May 27, 2009, Greg Gasper noted several concerns raised about the proposed program, and requested that "it will be important to include exactly what the money received by the business may be used for. If I'm not mistaken, Kentucky's KREDA program allows expenditures on capital investment for land, buildings, fixtures and equipment."

On my review of the summary of the Kentucky legislation, there is no restriction on how an employer may use its tax benefits. Neither does the Kentucky legislation require an employer to use the tax credits on capital expenditures. The opposite is true -- an employer who makes certain capital expenditures may claim additional tax credits.

That said, do you wish to impose any restrictions on how a participating employer uses the tax benefits it receives under the program?

Please contact me with any questions or if you want to make any changes. I look forward to working with you on the next draft.

Tracy K. Kuczenski  
Legislative Attorney  
Phone: (608) 266-9867  
E-mail: [tracy.kuczenski@legis.wisconsin.gov](mailto:tracy.kuczenski@legis.wisconsin.gov)

**Kuczenski, Tracy**

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**From:** Gasper, Greg  
**Sent:** Wednesday, June 17, 2009 9:59 AM  
**To:** Kreye, Joseph; Kuczenski, Tracy  
**Subject:** RE: THE KENTUCKY IDEA

Tracy/Joe -

Here are some answers to your questions on the draft - LRBb1398/1. I have bolded our answers. Please let me know if you have more!

1. Do you wish to require the jobs to pay any minimum wage?  
**Let's give Commerce rule-making authority on this.**
2. Must the jobs be full time, or are part-time jobs okay? ✓  
**Full time**
3. May jobs added in a retail or other chain store (such as Wal-Mart or McDonald's) qualify?  
**Let's also let Commerce determine this through rule-making authority.**
4. Do you wish to establish a limit on the number of years in which an employer may claim a tax benefit under the program? **Yes - Five years. Also, let's give Commerce the ability to renew the benefit if the business in need of support.**
5. Do you wish to establish a dollar limit on the amount of benefits any one employer may claim in any one year? ✓  
**No.**
6. Do you wish to establish a dollar limit on the amount of benefits any one employer may claim over the duration of the employer's participation in the program? ✓  
**No.**
7. Do you wish to establish a dollar limit on the total tax benefits the department may award under the program in any year, or over the duration of the program? ✓  
**No.**

I must have misinterpreted what the funds could be used for under the program. If Kentucky does not have restrictions on how those funds may be used, we don't want to restrict that either.

In addition, Senator Leibham would like to give Commerce the ability to offer this benefit to companies trying to RETAIN jobs, such as a recent situation at Thomas Industries in Sheboygan and a rumored major job loss in Fond du Lac (to Oklahoma) that may be coming soon.

I will give another look at the draft and let you know if I have additional questions. Thanks again!

**Greg Gasper**  
 Chief of Staff  
 Office of Senator Joe Leibham

Greg.Gasper@legis.wi.gov  
 888.295.8750  
 P.O. Box 7882  
 Madison, WI 53707-7882

6/17/2009

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**From:** Kreye, Joseph  
**Sent:** Tuesday, June 16, 2009 3:49 PM  
**To:** Gasper, Greg  
**Subject:** FW: THE KENTUCKY IDEA

Greg,

Sorry I didn't get a chance to call you. Tracy and I have prepared a budget amendment based on this idea from Kentucky. The draft is currently in editing. You'll see a copy of it either tonight or in the morning.

Joe

**Joseph T. Kreye**  
Senior Legislative Attorney  
Legislative Reference Bureau  
(608) 266-2263

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**From:** Kuczenski, Tracy  
**Sent:** Monday, June 15, 2009 11:43 AM  
**To:** Kreye, Joseph  
**Subject:** THE KENTUCKY IDEA

Greg in Sen Liebham's office wants this as a budget amendment. I told him that you may or may not have time to do so; I also told him that you would give him a call. His number is:  
(920) 728-0500

*Tracy K. Kuczenski*  
*Legislative Attorney*  
*Wisconsin Legislative Reference Bureau*  
*(608) 266-9867*  
*[Tracy.Kuczenski@legis.wisconsin.gov](mailto:Tracy.Kuczenski@legis.wisconsin.gov)*

6/17/2009



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRBb1398/2  
JK&TKK:wlj&kjf:jf  
Stays  
insert  
RMNR

SENATE AMENDMENT ,  
TO SENATE SUBSTITUTE AMENDMENT 1,  
TO 2009 ASSEMBLY BILL 75

1 At the locations indicated, amend the substitute amendment as follows:

2 1. Page 240, line 3: after that line insert:

3 “(a) Jobs creation credit GPR S -0- -0-”.

4 2. Page 366, line 25: after that line insert:

5 “SECTION 619d. 20.835 (2) (a) of the statutes is created to read:

6 20.835 (2) (a) *Jobs creation credit*. A sum sufficient to make the payments  
7 under ss. 71.07 (3x) (d) 2., 71.28 (3x) (d) 2., and 71.47 (3x) (d) 2.”.

8 3. Page 772, line 23: after “(3w),” insert “(3x).”.

9 4. Page 783, line 5: after that line insert:

10 “SECTION 1571d. 71.07 (3x) of the statutes is created to read:

1           71.07 (3x) JOBS CREATION TAX CREDIT. (a) *Definitions*. In this subsection,  
2 “claimant” means a person who is certified to claim tax benefits under s. 560.2057  
3 (2).

4           (b) *Filing claims*. Subject to the limitations provided in this subsection and s.  
5 560.2057, for taxable years beginning after December 31, 2009, a claimant may claim  
6 as a credit against the taxes imposed under ss. 71.02 and 71.08 the amount  
7 determined under s. 560.2057 (4).<sup>(b)</sup>

8           (c) *Limitations*. 1. Partnerships, limited liability companies, and tax-option  
9 corporations may not claim the credit under this subsection, but the eligibility for,  
10 and the amount of, the credit are based on their payment of the amounts determined  
11 under s. 560.2057 (4).<sup>(b)</sup> A partnership, limited liability company, or tax-option  
12 corporation shall compute the amount of credit that each of its partners, members,  
13 or shareholders may claim and shall provide that information to each of them.  
14 Partners, members of limited liability companies, and shareholders of tax-option  
15 corporations may claim the credit in proportion to their ownership interests.

16           2. No credit may be allowed under this subsection unless the claimant includes  
17 with the claimant’s return a copy of the claimant’s certification for tax benefits under  
18 s. 560.2057 (2).

19           (d) *Administration*. 1. Section 71.28 (4) (e), (g), and (h), as it applies to the  
20 credit under s. 71.28 (4), applies to the credit under this subsection.

21           2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
22 due under s. 71.02 or 71.08, the amount of the claim not used to offset the tax due  
23 shall be certified by the department of revenue to the department of administration  
24 for payment by check, share draft, or other draft drawn from the appropriation  
25 account under s. 20.835 (2) (a).”

1           **5.** Page 796, line 1: after “(3w),” insert “(3x)”.

2           **6.** Page 797, line 1: after “(3r),” insert “jobs creation tax credit under s. 71.07  
3           (3x)”.

4           **7.** Page 840, line 15: after “(3w),” insert “(3x)”.

5           **8.** Page 888, line 2: after that line insert:

6           “**SECTION 1654d.** 71.28 (3x) of the statutes is created to read:

7           71.28 **(3x)** JOBS CREATION TAX CREDIT. (a) *Definitions.* In this subsection,  
8           “claimant” means a person who is certified to claim tax benefits under s. 560.2057  
9           (2).

10           (b) *Filing claims.* Subject to the limitations provided in this subsection and s.  
11           560.2057, for taxable years beginning after December 31, 2009, a claimant may claim  
12           as a credit against the tax imposed under s. 71.23 the amount determined under s.  
13           560.2057 (4).<sup>(b)</sup>

14           (c) *Limitations.* 1. Partnerships, limited liability companies, and tax-option  
15           corporations may not claim the credit under this subsection, but the eligibility for,  
16           and the amount of, the credit are based on their payment of the amounts determined  
17           under s. 560.2057 (4).<sup>(b)</sup> A partnership, limited liability company, or tax-option  
18           corporation shall compute the amount of credit that each of its partners, members,  
19           or shareholders may claim and shall provide that information to each of them.  
20           Partners, members of limited liability companies, and shareholders of tax-option  
21           corporations may claim the credit in proportion to their ownership interests.

22           2. No credit may be allowed under this subsection unless the claimant includes  
23           with the claimant’s return a copy of the claimant’s certification for tax benefits under  
24           s. 560.2057 (2).

1 (d) *Administration*. 1. Subsection (4) (e), (g), and (h), as it applies to the credit  
2 under sub. (4), applies to the credit under this subsection.

3 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
4 due under s. 71.23, the amount of the claim not used to offset the tax due shall be  
5 certified by the department of revenue to the department of administration for  
6 payment by check, share draft, or other draft drawn from the appropriation account  
7 under s. 20.835 (2) (a).”.

8 **9.** Page 900, line 11: after “(3w),” insert “jobs creation tax credit under s. 71.28  
9 (3x).”.

10 **10.** Page 919, line 22: after “(3w),” insert “(3x).”.

11 **11.** Page 939, line 2: after “(3w),” insert “(3x).”.

12 **12.** Page 941, line 21: after that line insert:

13 “**SECTION 1720d.** 71.47 (3x) of the statutes is created to read:

14 71.47 **(3x)** JOBS CREATION TAX CREDIT. (a) *Definitions*. In this subsection,  
15 “claimant” means a person who is certified to claim tax benefits under s. 560.2057  
16 (2).

17 (b) *Filing claims*. Subject to the limitations provided in this subsection and s.  
18 560.2057, for taxable years beginning after December 31, 2009, a claimant may claim  
19 as a credit against the tax imposed under s. 71.43 the amount determined under s.

20 560.2057 (4).<sup>(b)</sup>

21 (c) *Limitations*. 1. Partnerships, limited liability companies, and tax-option  
22 corporations may not claim the credit under this subsection, but the eligibility for,  
23 and the amount of, the credit are based on their payment of the amounts determined  
24 under s. 560.2057 (4).<sup>(b)</sup> A partnership, limited liability company, or tax-option

1 corporation shall compute the amount of credit that each of its partners, members,  
2 or shareholders may claim and shall provide that information to each of them.  
3 Partners, members of limited liability companies, and shareholders of tax-option  
4 corporations may claim the credit in proportion to their ownership interests.

5 2. No credit may be allowed under this subsection unless the claimant includes  
6 with the claimant's return a copy of the claimant's certification for tax benefits under  
7 s. 560.2057 (2).

8 (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), as it applies to the  
9 credit under s. 71.28 (4), applies to the credit under this subsection.

10 2. If the allowable amount of the claim under par. (b) exceeds the tax otherwise  
11 due under s. 71.43, the amount of the claim not used to offset the tax due shall be  
12 certified by the department of revenue to the department of administration for  
13 payment by check, share draft, or other draft drawn from the appropriation account  
14 under s. 20.835 (2) (a).".

15 **13.** Page 954, line 3: after "(3w)," insert "jobs creation tax credit under s. 71.47  
16 (3x)".

17 **14.** Page 1034, line 12: after "(3w)," insert "(3x)".

18 **15.** Page 1578, line 10: after that line insert:

19 "SECTION 3070d. 560.2057 of the statutes is created to read:

20 **560.2057 Jobs creation tax credit. (1) DEFINITIONS.** In this section:

21 (a) "Business" means any organization or enterprise operated for profit,  
22 including a proprietorship, partnership, firm, business trust, joint venture,  
23 syndicate, corporation, limited liability company, or association.

Insert 5-23 ✓

Insert 6-1

1 (b) "Tax benefits" means the jobs creation tax credit under ss. 71.07 (3x), 71.28  
2 (3x), and 71.47 (3x).

Insert 6-6

3 (2) CERTIFICATION. The department may certify a person to receive tax benefits  
4 under this section if all of the following apply:

5 (a) The person is operating or intends to operate a business in this state.

6 (b) The person applies under this section and enters into a contract with the  
7 department.

Insert 6-12

8 (3) ELIGIBILITY FOR TAX BENEFITS. A person certified under sub. (2) may receive  
9 tax benefits under this section if, in each year for which the person claims tax benefits  
10 under this section, the person increases net employment in the person's business by  
11 15 eligible employees. *at least*

12 (4) LIMITS. The department may award to a person certified under sub. (2) tax  
13 benefits for each eligible employee in an amount equal to 100 percent of the state income  
14 taxes paid by that eligible employee on wages earned by that employee and from the person  
15 in the year for which the tax benefit is claimed.

16 (5) DUTIES OF THE DEPARTMENT. (a) The department of commerce shall notify  
17 the department of revenue when the department of commerce certifies a person to  
18 receive tax benefits.

19 (b) The department of commerce shall notify the department of revenue within  
20 30 days of revoking a certification made under sub. (2).

21 (c) The department may require a person to repay any tax benefits the person  
22 claims for a year in which the person failed to maintain employment required by a  
23 contract under sub. (2).

(b)  
(c)

1 (d) The department shall determine the maximum amount of the tax credits  
2 under ss. 71.07 (3x), 71.28 (3x), and 71.47 (3x) that a certified business may claim and  
3 shall notify the department of revenue of this amount.

4 (e) The department shall annually verify the information submitted to the  
5 department by the person claiming tax benefits under ss. 71.07 (3x), 71.28 (3x), and  
6 71.47 (3x).

7 (f) The department shall promulgate rules for the implementation and  
8 operation of this section, including rules relating to the following:

Insert 7-9

9 3 ~~10~~ Conditions for the revocation of a certification under par. (b).

10 4 ~~20~~ Conditions for the repayment of tax benefits under par. (c).”

11 **16.** Page 1788, line 11: after that line insert:

12 “(7i) JOBS CREATION TAX BENEFIT; EMERGENCY RULES. The department of  
13 commerce may use the procedure under section 227.24 of the statutes to promulgate  
14 rules under section 560.2057 (5) (f) of the statutes, as created by this act.  
15 Notwithstanding section 227.24 (1) (c) and (2) of the statutes, emergency rules  
16 promulgated under this subsection remain in effect until July 1, 2010, or the date on  
17 which permanent rules take effect, whichever is sooner. Notwithstanding section  
18 227.24 (1) (a) and (3) of the statutes, the department is not required to provide  
19 evidence that promulgating a rule under this subsection as an emergency rule is  
20 necessary for the preservation of the public peace, health, safety, or welfare and is  
21 not required to provide a finding of emergency for a rule promulgated under this  
22 subsection.

23 (7j) JOBS CREATION TAX BENEFIT; ECONOMIC IMPACT REPORT. Notwithstanding  
24 sections 227.137 (2) and 227.138 (2) of the statutes, if the secretary of administration

1 requires the department of commerce to prepare an economic impact report for the  
2 rules required under section 560.2057 (5) (f) of the statutes, as created by this act,  
3 the department may submit the proposed rules to the legislature for review under  
4 section 227.19 (2) of the statutes before the department completes the economic  
5 impact report and before the department receives a copy of the report and approval  
6 under section 227.138 (2) of the statutes.”.

7 (END)

**2009-2010 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRBb1398/1ins  
JK&TKK:wlj&kjf:jf

1           **INSERT 5-23**

2           (b) "Eligible employee" means a person employed in a full-time job by a person  
3 certified in sub. (2).<sup>✓</sup>

4           **INSERT 6-6**

5           (b) The business satisfies the eligibility criteria established by the department  
6 by rule under sub. (5) (f).<sup>✓</sup>

7           **INSERT 6-8**

8           (Not) (a) A person certified under sub. (2)<sup>✓</sup> may receive tax benefits under this section  
9 if, for the duration of each year in which the person claims tax benefits under this  
10 section, the person maintains employment of a stable number of eligible employees<sup>✓</sup>  
11 as specified in the contract under sub. (2) (c).<sup>✓</sup>

12           **INSERT 6-12**

13           (Not) DURATION AND DETERMINATION OF BENEFITS. (a) 1. Except as provided in subd.  
14 2., the certification of a person under sub. (2)<sup>✓</sup> may remain in effect for no more than  
15 5 cumulative years.

16           2. The department may extend the certification of a person under this section  
17 for an additional 5 years if the department determines the business has a  
18 demonstrated need for the extension.

19           **INSERT 7-9**

20           1. Criteria to be satisfied by a business for a person operating the business to  
21 be eligible for certification under sub. (2).<sup>✓</sup>

1           2. Minimum wages to be paid to an eligible employee by a person employing  
2 that employee in order for that person to obtain and retain certification under sub.  
3 (2).<sup>↓</sup>

4

5

1 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),  
 2 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3h), (3s), (3n), (3p), (3q), (3t), (3w),  
 3 (5e), (5f), (5g), (5h), (5i), (5j), and (5k); and plus or minus, as appropriate, transitional  
 4 adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15),  
 5 (16), (17), and (19); but excluding income, gain, loss, and deductions from farming.  
 6 "Net business income," with respect to a natural person, estate, or trust, means profit  
 7 from a trade or business for federal income tax purposes and includes net income  
 8 derived as an employee as defined in section 3121 (d) (3) of the Internal Revenue  
 9 Code.

10 SECTION 14. 560.2055 of the statutes is created to read:

11 **560.2055 Jobs tax credit. (1) DEFINITIONS.** In this section:

12 (a) 1. Except as provided in subd. 2., "business" means any organization or  
 13 enterprise operated for profit, including a proprietorship, partnership, firm,  
 14 business trust, joint venture, syndicate, corporation, limited liability company, or  
 15 association.

16 2. "Business" does not include a store or shop in which retail sales is the  
 17 principal business.

18 (b) "Eligible employee" means a person employed in a full-time job by a person  
 19 certified under sub. (2).

20 (c) "Full-time job" means a regular, nonseasonal full-time position in which an  
 21 individual, as a condition of employment, is required to work at least 2,080 hours per  
 22 year, including paid leave and holidays, and for which the individual receives pay  
 23 that is equal to at least 150 percent of the federal minimum wage and benefits that  
 24 are not required by federal or state law. "Full-time job" does not include initial  
 25 training before an employment position begins.

Insert  
6-1